

# JOURNAL

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Web site: [www.bpa.gov/corporate/pubs/Journal](http://www.bpa.gov/corporate/pubs/Journal)

## ***Dedication of newest 500-kV line***

Snow and cold didn't chill the celebration in Spokane Dec. 6 as the newly energized Grand Coulee-Bell 500-kilovolt transmission line was dedicated. The featured speaker, U.S. Department of Energy Associate Deputy Secretary Bruce Carnes, said BPA has accomplished what few other utilities have done recently — build a new transmission line.

Carnes said the project, completed \$16 million under budget and ahead of schedule, “truly marks BPA as a national leader in the electric industry.” Carnes noted that the Grand Coulee-Bell line is one of the largest built in the nation in the last 20 years. “It is a major accomplishment in this administration's effort to improve the reliability of our national energy infrastructure,” he added.

The project involved replacing 84 miles of a 115-kilovolt wood-pole transmission line with a 500-kV steel lattice line. It has 412 steel towers.



***A section of the new 500-kilovolt Coulee-Bell transmission line that BPA dedicated in early December.***

## ***Grid West sets bylaws***

The nine major owners of Northwest transmission lines, including BPA, voted unanimously Dec. 9 to approve bylaws for Grid West. This is the first of four steps in a development process that would take at least through 2007 to launch the proposed Northwest transmission operation and planning entity.

“We’ve been talking for 10 years about the need to join together in planning and operating the grid,” said Allen Burns, BPA executive vice president for Industry Restructuring. “The bylaws will let us design how Grid West would operate so we can do a solid study on whether its benefits would outweigh the costs.”

If Grid West's design proved workable and beneficial, Burns said, BPA could eventually contract with it for transmission operation and planning services. But, he said, many issues must be resolved first, and BPA also would conduct environmental review and complete a record of decision before signing contracts.

BPA is also working with a second group of utilities known as the Transmission Issues Group on a less-structured alternative to Grid West.

“Now is the time for the region to flesh out the details so we can make the call,” Burns said. “What structure do we really need to plan and operate our grid reliably and at the lowest cost to consumers?”

## ***Tentative rate settlement reached***

After meeting with the region over many months, BPA's Transmission Business Line sent out its proposed 2006 rate case settlement agreement on Dec. 6. It proposed an average 12.5 percent rate increase for fiscal years 2006 and 2007. BPA negotiated the proposed settlement with a broad group of customer representatives.

BPA has asked for signatures to be returned by Jan. 7, and by Jan. 11 TBL will decide if it will counter-sign. BPA has reached rate settlements with its customers in the last three rate cases, allowing the region to avoid lengthy and costly formal rate hearings. More information is available on a BPA Web site at [www.transmission.bpa.gov/Business/Rates\\_and\\_Tariff/2006RateCase.cfm](http://www.transmission.bpa.gov/Business/Rates_and_Tariff/2006RateCase.cfm).

The rate settlement will bring to a close the Programs In Review public process in January. The PIR is the pre-rate case process in which all customers and interested parties had been invited to discuss program levels proposed by BPA for fiscal years 2006 and 2007. A close-out letter to all PIR participants will be available on a BPA Web site at [www.transmission.bpa.gov](http://www.transmission.bpa.gov).

## ***Wind project developers get update***

BPA issued a letter to wind developers establishing some deadlines to help ensure that proposed wind projects stay on schedule to take advantage of the newly enacted federal Production Tax Credit. These deadlines create an urgency to the efforts of BPA staff and the developers in doing required studies and building the facilities to interconnect new wind farms to the BPA transmission system.



The letter outlines some specific deadlines starting with actions and decisions required by this Dec. 31. Wind projects must demonstrate commercial operation by Dec. 31, 2005, to be eligible for the tax credit. The requirements do not apply to transmission service requests.

The letter is posted on BPA's Transmission Business Line Web site at [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

### ***Power function review starts***

In response to requests from customers, constituents and tribes for opportunities to examine, understand and provide input on the cost projections that will form the basis for the FY 2007 wholesale power rate case, BPA's Power Business Line will begin a Power Function Review (PFR) in January.

The PFR will provide a broad spectrum of involvement opportunities — from the general manager level, to the technical level, to the general public. BPA will consider the input it receives in establishing program costs for the FY 2007 power rate case initial proposal, which is expected in the fall of 2005.

From the end of January through the end of April, BPA will conduct regional public meetings, technical workshops and management level discussions to gather as much input as possible.

### ***Regional Dialogue policy expected***

BPA expects to release its Regional Dialogue policy and record of decision in January. This phase of the Regional Dialogue is to provide the region with greater clarity regarding BPA's load-serving obligation and the amount of power BPA will sell at its lowest cost-based rate.

The policy will also resolve a number of issues that must be settled prior to initiating the next power rate case.

The agency will engage the region in the second phase of the Regional Dialogue immediately as it turns to long-term issues that must be resolved before the region can enter into the long-term contracts and rates that many utilities desire.

### ***Infrastructure letter out***

At year's end, BPA looked back at the infrastructure accomplishments of recent years, especially 2004. The agency mailed a letter that reviews BPA's infrastructure investments to regional customers and constituents before the end of the year. It is also posted online, along with other infrastructure details, on a Transmission Business Line Web site at [www.transmission.bpa.gov/PlanProj/](http://www.transmission.bpa.gov/PlanProj/).

BPA embarked on the infrastructure program in 2001. Its goal was to enable BPA to meet future power requirements, relieve congested transmission paths, meet growing energy demands and accommodate open access service requests. BPA has since completed several projects and continues to make progress on others.

The letter also covers BPA's extensive maintenance program, non-wire solutions and success in cost savings. Finally, it looks at what the future holds for reliability.

### ***DC intertie restarts***

After two months of work, upgrades to the DC intertie near Los Angeles, Calif., were complete enough to allow the line back into limited service by Dec. 7. The line between Oregon and Southern California had been out of service since Oct. 1 to allow major upgrades to the Sylmar Converter Station near Los Angeles. Those upgrades follow similar work at BPA's Celilo Station near The Dalles, Ore., in early 2004. The goal was to reach the full capacity of 3,100 megawatts by New Year's Day.

## **PUBLIC INVOLVEMENT** Updates and Notices

### ***AGENCY – ONGOING PROJECTS***

#### ***Supplement Analysis to the Business Plan EIS – Regionwide***

BPA will prepare an SA to its Business Plan EIS. The 1995 EIS analyzed the environmental impacts of BPA's business practices, such as marketing and transmitting power, energy conservation, renewable energy development, and fish and wildlife mitigation activities. The impacts analyzed included effects to the natural, economic, and social environments. Public letters announcing and outlining the SA to the Business Plan EIS went out in December. As part of the SA process, BPA invites all interested parties to submit comments on the Business Plan EIS, specifically on any perceived changes in BPA's business activities since 1995 that are relevant to environmental concerns. Close of comment is March 1, 2005. For additional information about the SA and how to comment see BPA's Web site at [http://www.bpa.gov/efw/Environmental\\_Planning\\_and\\_Analysis/Business\\_Plan\\_SA/](http://www.bpa.gov/efw/Environmental_Planning_and_Analysis/Business_Plan_SA/). (See Close of Comment.)

### ***CONSERVATION – ONGOING PROJECTS***

#### ***Post-2006 Conservation Work Group***

The Post-2006 Conservation Work Group has one more meeting of the Phase I process to set the approach and direction of a conservation plan for the next rate period. The last meeting will be held Jan. 11 in Seattle. Notes from previous meetings can be reviewed online at <http://www.bpa.gov/Energy/N/Post2006Conservation/>. Phase II is scheduled to start in early 2005 and will refine the proposal and include public review. For more information, contact Becky Clark at (503) 230-3158. (See calendar of events.)

### ***FISH AND WILDLIFE – ONGOING PROJECTS***

#### ***Grande Ronde and Imnaha Spring Chinook Project EIS – Wallowa and Union counties, Ore.***

Fish trapping, incubation, rearing and release hatchery facilities are proposed to help boost spring chinook salmon populations in the Grande Ronde and Imnaha river basins of Northeast Oregon. Planned

facilities would modify and augment existing Lower Snake River Compensation Plan facilities. The FEIS is available online at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/Granderonde>. A ROD is scheduled for publication in January 2005.

#### ***Kootenai River Ecosystem/Fisheries Improvement Study – Boundary and Bonners counties, Idaho, and Lincoln County, Mont.***

The Kootenai Tribe of Idaho (in coordination with Idaho Fish and Game; Montana Fish, Wildlife and Parks; and British Columbia Ministry of Environment, Land and Parks) plans to initiate a controlled nutrient restoration effort in the mainstem Kootenai River near the Montana-Idaho border. A public scoping open house was held Dec. 13, 2004, in Bonners Ferry, Idaho. Close of comment is Jan. 28, 2005. More information is available online at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/Projects>. (See close of comment.)

#### ***Salmon Creek EIS – Okanogan County, Wash.***

BPA proposes to fund a project to enhance fish habitat, passage and instream flows in 4.3 miles of lower Salmon Creek, a tributary of the Okanogan River. The project would rehabilitate the stream channel, revegetate stream banks and increase streamflows. A DEIS was released in September and is available at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/SalmonCreek>. A public meeting was held Sept. 28, 2004, and the comment period closed Nov. 9, 2004.

#### ***South Fork Flathead Watershed/Westslope Cutthroat Trout Conservation Program EIS – Flathead National Forest, Mont.***

BPA proposes to fund a project to remove exotic trout species from selected lakes in the South Fork of the Flathead drainage. A DEIS was released and the comment period closed Aug. 20, 2004. A FEIS is being prepared. Additional information is available at <http://www.efw.bpa.gov/cgf-bin/PSA/NEPA/SUMMARIES/MountainLakesTrout>.

### **POWER – ONGOING PROJECTS**

#### ***BPA's Power Supply Role after 2006 (Regional Dialogue) – Regionwide***

The Regional Dialogue final policy and the administrator's ROD regarding BPA's power supply role for fiscal years 2007-2011 will be issued in mid-January 2005. Additional information or updates to this schedule will be posted on BPA's Web site at <http://www.bpa.gov/power/regionaldialogue>.

#### ***Power Function Review – Regionwide***

BPA's Power Business Line's Power Function Review begins January 2005. This process is designed to provide interested parties opportunities to examine, understand and provide input on the cost projections that will form the basis for the FY 2007 wholesale power rate case. Input received will be considered in establishing program costs for the FY 2007 rate case initial proposal, which is expected in the fall of 2005.

The PFR will provide a broad spectrum of involvement opportunities. A number of technical workshops, management discussions and regional public meetings have been scheduled. A public comment period will open on Jan. 25, 2005, and close on April 29, 2005. Additional information or updates to the schedule below will be posted on BPA's Web site at: [www.bpa.gov/power/review](http://www.bpa.gov/power/review). (See calendar of events and close of comment.)

### **TRANSMISSION – ONGOING PROJECTS**

#### ***Anderson Ranch 115-kV Rebuild – Elmore County, Idaho***

BPA is replacing five wood pole structures located in rough terrain with two steel dead-end towers on the Boise River crossing. The purpose of the rebuild is to maintain line reliability and ensure public safety. All of the aged and decaying wood poles on the remaining portion of the 18-mile line will be replaced with steel poles. Construction began July 2004 and is scheduled to be completed by January 2005. For additional project information, see BPA's Web site at [http://www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/default.cfm?page=AR](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/default.cfm?page=AR).

#### ***Arlington CEP Wind Project Interconnection – Gilliam County, Ore.***

Columbia Energy Partners (CEP) has requested to integrate up to 200 MW of power generated from the Arlington CEP Wind Project into

the Federal Columbia River Transmission System. CEP would interconnect to the proposed Jones Canyon BPA substation adjacent to the 230-kV McNary-Santiam line. BPA's proposed project would involve building Jones Canyon Substation, adjacent to the CEP collector substation and an access road from the county road to the BPA substation. Construction of the substation would involve clearing approximately six acres of grassland to build a short access road and a substation. A ROD tied to the Business Plan EIS is expected in early January. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

#### ***Combine Hills Wind Project Interconnection – Umatilla County, Ore.***

Eurus Energy America Corporation has requested to integrate up to 63 MW of power generated from the Combine Hills Wind Project into the Federal Columbia River Transmission System. BPA would need to upgrade 5.8 miles of the Walla Walla-Pendleton transmission line. The upgrade of the transmission line would involve replacing the wood poles within the same right-of-way and stringing new conductor. This request is an expansion of an existing 41 MW interconnection to PP&L's transmission system. A public letter describing the proposal was sent out in December 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

#### ***Grand Coulee-Bell 500-kV Transmission Line – Spokane and Lincoln counties, Wash.***

Construction of the new Grand Coulee-Bell 500-kV Transmission Line Project is complete and the line was energized on Dec. 1. A dedication was held Dec. 6 in Riverside State Park near Spokane. The project replaced 84 miles of 115-kV wood pole line with a new steel lattice 500-kV line between Grand Coulee Dam and Spokane. BPA contracted the assembly and erection of all 412 steel towers and the stringing of the wire between those towers. Other project work just completed includes the substation expansion and equipment installation at the Bureau of Reclamation's switching station in Grand Coulee and at BPA's Bell Substation in Spokane. This project allows BPA to continue to transmit reliable, low cost power to ratepayers in the Pacific Northwest. See [http://www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/) for more information and construction photos.

#### ***Hanford Reach National Monument CCP/EIS – Benton, Franklin and Grant counties, Wash.***

BPA is participating as a cooperating agency in a land management planning process led by the U.S. Fish and Wildlife Service. The USFWS seeks to develop a comprehensive conservation plan as required by the Refuge System Improvement Act of 1997. BPA is providing information and writing sections of the plan that pertain to transmission facilities, roads, energy facilities and river flow management within the monument. A DEIS is scheduled for release in 2005.

#### ***Hopkins Ridge Wind Project Interconnection – Columbia County, Ore.***

BPA has been asked by RES America Developments to interconnect 150 MW of the output of the proposed Hopkins Ridge Wind Project. The proposed interconnection project involves constructing a BPA switching substation adjacent to an existing BPA transmission line near the wind project. The BPA switching substation would be located on a five-acre parcel of land currently used for wheat farming, immediately east of the intersection of Hartsock Grade Rd. and Lewis Gulch Road. BPA would construct the substation beginning as early as March 1, 2005, through the fall of 2005.

BPA is conducting site visits and studies to assess the impacts of the proposed interconnection on various resources. A decision to interconnect will be made by January 2005. Public comment ended Dec. 17, 2004. A public letter was sent out in December 2004. See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

#### ***Leaning Juniper Wind Project Interconnection (Formerly Arlington PPM Wind Project Interconnection) – Gilliam County, Ore.***

Pacific Power Marketing (PPM) has requested to integrate up to 200 MW of power generated from the Leaning Juniper Wind Project into the Federal Columbia River Transmission System. PPM would interconnect at the same substation as proposed for the Arlington CEP Wind Project described above (Jones Canyon). See <http://www.transmission.bpa.gov/PlanProj/Wind/> for more information.

### ***Nisqually Transmission Line Relocation Project EA - Thurston County, Wash.***

BPA is proposing to relocate two miles of transmission line corridor off the Nisqually Indian Reservation in Thurston County, Wash. BPA has an existing transmission line corridor across the reservation and a portion of the Fort Lewis military base just north of State Route 510. This corridor contains two transmission lines: the Olympia-Grand Coulee 287-kV line and the Olympia-South Tacoma 230-kV line. This relocation is being proposed because the 50-year easement for one of the lines on the reservation has expired. The public comment period ended Nov. 26, 2004. It is anticipated that the FONSI will be signed in January. See [http://www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/) for more information.

### ***Programs in Review - Regionwide***

TBL has completed seven Programs in Review meetings throughout the region. These meetings were held to discuss TBL proposed program levels for 2006 and 2007. As customers requested, additional technical workshops were held on debt optimization, corporate and shared services programs, TBL capital and expense programs, and staffing. End of comment period was Sept. 15, 2004, with the close-out letter expected to be posted to the Web in January. For more information, visit the Web site at [http://www.transmission.bpa.gov/Business/Customer\\_Forum\\_and\\_Feedback/Programs\\_in\\_Review/pir2004.cfm](http://www.transmission.bpa.gov/Business/Customer_Forum_and_Feedback/Programs_in_Review/pir2004.cfm).

### ***Schultz-Wautoma Area 500-kV Line Project - near Ellensburg to near the Hanford Reservation, Wash.***

BPA is building a new 500-kV line from Schultz Substation to the new Wautoma Substation southwest of the Hanford Monument. An FEIS was released in February 2003. The ROD was released in March 2003. Construction on the new Wautoma Substation began May 5, 2003, and is halfway complete. Construction of the Sickler-Schultz portion of the line began February 2004. A construction update letter was sent in December 2004. Fiber construction began in late January 2004. The project will be completed by November 2005. See [http://www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/) for more information and construction photos.

### ***Transmission Rate Case Workshops***

BPA's Transmission Business Line has held several rate case workshops in Portland as part of its process to develop its transmission rates for fiscal years 2006 and 2007. Four workshops were held. See [http://www.transmission.bpa.gov/Business/Rates\\_and\\_Tariff/default.cfm?page=2006RC](http://www.transmission.bpa.gov/Business/Rates_and_Tariff/default.cfm?page=2006RC) for more information.

### ***Wanapa Energy Center Generation Project EIS - Umatilla County, Ore.***

The Confederated Tribes of the Umatilla Indian Reservation requested interconnection of the Wanapa Energy Center, a proposed 1,300-MW gas-fired combined-cycle combustion turbine project, into the transmission grid. The project would be located on tribal trust land. The Bureau of Indian Affairs released the DEIS in October 2003. BPA is participating as a cooperating agency. Two public meetings were held in December 2003. The comment period ended Dec. 29, 2003. BIA recently published the FEIS. See [http://www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/) for more information.

## **SUPPLEMENT ANALYSES**

### ***Watershed Management Program EIS:***

- SA-189 Tucannon River Model Watershed - Howard Irrigation Efficiency Project. Garfield County, Wash.
- SA-190 Habitat Projects Lake Roosevelt Tributaries - Bridge Creek Passage/Habitat Improvements Phase II. Ferry County, Wash.

- SA-191 Tucannon River Model Watershed - Tucannon Ranch Irrigation Efficiency Enhancement Project. Columbia County, Wash.
- SA-192 Idaho Model Watershed Habitat Projects - Gini Canal-Garden Creek Crossing Structure - Lemhi County, Idaho

## **CALENDAR OF EVENTS**

### ***Post-2006 Conservation Work Group***

- **Jan. 11** - 9 a.m. to 4:30 p.m., Comprehensive Health Education Foundation, 22419 Pacific Hwy. South, Seattle, Wash.

### ***Power Function Review - Regionwide***

#### ***Technical Workshops:***

All technical workshops will be held in the Rates Hearing Room located at 911 NE 11<sup>th</sup> Avenue in Portland.

- **Jan. 25** - 8:30 a.m. to noon. Topic: Power Function Review opening workshop along with presentation on the process of setting rates
- **Feb. 1** - 8:30 a.m. to noon. Topic: Transmission acquisition costs
- **Feb. 8** - 8:30 a.m. to 4 p.m. Topic: Conservation & renewables program costs
- **March 1** - 8:30 a.m. to 4 p.m. Topic: Internal operations costs charged to power rates, federal and nonfederal debt service and debt management
- **March 15** - 8:30 a.m. to 4 p.m. Topic: Columbia Generating Station, U.S. Army Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investments
- **April 5** - 8:30 a.m. to 4 p.m. Topic: Fish & wildlife program costs, both expense and capital
- **April 6** - 8:30 a.m. to 4 p.m. Topic: Risk mitigation packages and tools

#### ***Management-Level Discussions:***

- **Feb. 15** - 1 to 5 p.m. Topics: Transmission acquisition costs, program costs for conservation and renewables
- **March 17** - 1 to 5 p.m. Topics: Internal operations costs charged to power rates; federal and nonfederal debt service and debt management; Columbia Generating Station, Corps of Engineers and Bureau of Reclamation operation and maintenance costs and capital investment
- **April 12** - 1 to 5 p.m. Topics: Risk mitigation packages and tools, and fish & wildlife program costs, both expense and capital

#### ***Regional Meetings:***

- **April 13** - Registration: 4:30 p.m., Meeting: 5 to 9 p.m., BPA Rates Hearing Room, 911 NE 11<sup>th</sup> Avenue, Portland, Ore.
- **April 19** - Registration: 4:30 p.m., Meeting: 5 to 9 p.m., Red Lion, 475 River Parkway, Idaho Falls, Idaho
- **April 14** - Registration: 4:30 p.m., Meeting: 5 - 9 p.m., Mountaineers Headquarters, 300 Third Avenue W., Seattle, Wash.
- **April 21** - Registration: 4:30 p.m., Meeting: 5 - 9 p.m., WinGate Inn, 5252 Airway Blvd., Missoula, Mont.
- **April 26** - Registration: 4:30 p.m., Meeting: 5 - 9 p.m., Airport Ramada Inn, 8909 Airport Road, Spokane, Wash.

## **CLOSE OF COMMENT**

- **Jan. 28** - Kootenai River Ecosystems/Fisheries Improvement Study
- **March 1** - Supplement Analysis to the Business Plan EIS - Regionwide
- **April 29** - Power Function Review

**If you have questions or comments, or you want to be added to the mailing list for any project, call (503) 230-3478 (Portland) or 1-800-622-4519.**

To order copies of documents, call: 1-800-622-4520 or (503) 230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. E-mail address: [comment@BPA.gov](mailto:comment@BPA.gov). BPA home page: <http://www.bpa.gov>. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see [http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects\\_Process\\_Abbreviations](http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/Projects_Process_Abbreviations): EA-Environmental Assessment, EFSEC-Washington Energy Facility Site Evaluation Council, EFSC-Oregon Energy Facility Siting Council, EIS-Environmental Impact Statement, DEIS-Draft Environmental Impact Statement, FEIS-Final Environmental Impact Statement, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision, SA-Supplement Analysis.

